

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

SECURITIES AND EXCHANGE)	
COMMISSION,)	
)	
Plaintiff,)	Case No. 19-CV-1711
)	
v.)	Judge John F. Kness
)	
RIVER NORTH EQUITY, LLC, et. al.,)	
)	
Defendants.)	

JOINT MOTION TO EXTEND DISCOVERY SCHEDULE

By agreement of the parties, Plaintiff Securities and Exchange Commission (“the SEC”), and Defendants River North Equity, LLC (“River North”), Edward M. Liceaga, David R. Foley, Lisa L. Foley and Michael A. Chavez, jointly request an extension of the existing discovery schedule.

More specifically, the parties respectfully request that the current fact discovery schedule be extended to February 4, 2021, and that the Court allow expert discovery to continue until May 5, 2021.

1. The SEC filed its complaint on March 11, 2019, alleging that Defendants violated the Securities Act of 1933 (“the Securities Act”), and the Securities Exchange Act of 1934 (“the Exchange Act”), in connection with a stock distribution and market manipulation scheme.

2. Certain defendants filed their Answers on June 10, 2019. (*See* Docket No. 46) However, three of the defendants, River North, Liceaga and Chavez filed

motions to dismiss. (*See* Docket Nos. 36, 40) Judge Durkin denied these motions on December 4, 2019. (*See* Docket No. 64)

3. After the Court's denial of their motion to dismiss, River North, Liceaga and Chavez filed their Answers on December 16, 2020. (*See* Docket Nos. 70, 71) Although the Court had initially set an initial date of July 17, 2020 for the conclusion of fact discovery, *see* Docket No. 45, the parties did not engage in any written discovery or depositions while the motions to dismiss were pending. (*See* MIDP Amended Order dated. 12/1/18 ¶ 1.a., noting that parties may not conduct additional discovery until after they have served their MIDP responses.)

4. The SEC served its MIDP responses on Nov. 21, 2019. River North, Liceaga and Chavez served their MIDP responses on January 15, 2020. David and Lisa Foley executed their MIDP responses shortly thereafter, on January 23 and 28, 2020. The parties have served and responded to written discovery requests.

5. Fact discovery in this case initially was scheduled to close on July 17, 2020. (*See* Docket No. 45.) With the adjustments required by the Court's General Orders, the close of fact discovery has been extended to October 2, 2020. No other case management dates have been set.

6. The SEC previously noticed up the depositions of several fact witnesses, including David and Lisa Foley, but these depositions were cancelled due to the COVID-19 pandemic. The parties have agreed that these depositions will be rescheduled, and have made some efforts to do so. But the parties have not been able to take any of those depositions yet.

7. The SEC was ready to take the deposition of Bennie Blankenship by remote technology on September 14, 2020. However, at the last moment the deposition was postponed, at Blankenship's request, to allow him to obtain some needed dental work which was necessary as a result of a recent injury. The SEC has also been attempting to schedule the remote depositions of David and Lisa Foley. However, the Foleys state that they are unable to be deposed at a court reporter's office due to current pandemic restrictions and are unable to be deposed from their house.

8. On May 18, 2020 the parties filed a Joint Status Report which memorialized their agreement on a number of scheduling issues which they now request the Court adopt. (Docket No. 94) Each of these agreements are explained below.

9. As the result of stay at home orders in California, Illinois, Texas and other states, the parties agreed that the case management schedule would need to be extended to allow sufficient time to complete discovery. (*Id.* at § D) Accordingly, the parties now propose a four-month extension of the fact discovery schedule – to February 4, 2021.

10. The parties agreed that they would need three months to conduct expert discovery, beginning at the close of fact discovery. (*Id.* at § V) Accordingly, the parties now propose that the Court permit expert discovery to proceed between the close of fact discovery and May 5, 2021.

11. The parties have estimated that a trial in this matter would last at least two weeks. No trial date has been set. And at least one defendant was planning to file

a motion for summary judgment. Accordingly, the parties request that they be allowed at least six months after the close of expert discovery to brief any summary judgment motions and prepare for trial. (*See Id.* at § III B)

11. Finally, no deadline has been set for the filing of the parties' final pretrial order. However, given the number of parties and the factual and legal complexities of this case, the parties propose that the deadline for filing the final pretrial order be set at least sixty (60) days before trial. (*See* Docket No. 94 at §2 F)

Wherefore, plaintiff Securities and Exchange Commission, and defendants River North Equity, LLC, Edward M. Liceaga, David R. Foley, Lisa L. Foley and Michael A. Chavez jointly and respectfully request that the Court extend the time allowed for fact discovery to February 4, 2021, and the time allowed for expert discovery to May 5, 2021, as well as the other case management deadlines described herein.

Date: September 18, 2020

Respectfully submitted,

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